

LEGISLATIVE DIGEST

(Amended in Committee March 17, 2021)

[Business Registration Fee - Weights and Measures and Point of Sale Station Fees]

Ordinance extending the deadline to pay the business registration fee for the fiscal year ending June 30, 2022, to November 1, 2021, for certain businesses that commenced business in the City before January 1, 2021, and had \$25,000,000 or less in San Francisco gross receipts in 2020 or that commenced business in the City on or after January 1, 2021; extending the deadline to pay the business registration fee for the fiscal year ending June 30, 2022, to June 30, 2021, for certain businesses that commenced business in the City on or before January 1, 2021, and had over \$25,000,000 in San Francisco gross receipts in 2020; temporarily suspending through November 1, 2021, penalties for late payment of certain weights and measures fees and point of sale station fees billed by the Tax Collector on or after March 17, 2020, and on or before October 1, 2021; and refunding suspended penalties paid to the City.

Existing Law

Businesses in the City must obtain a registration certificate from the Tax Collector and pay an annual registration fee on a fiscal year basis. The deadline for businesses to renew and pay their registration fee for the fiscal year ending June 30, 2022 is May 31, 2021. Newly commencing businesses in the City must pay their registration fee when they apply for their registration certificate.

Persons using weighing and measuring devices for commercial purposes in the City must register those devices and pay annual registration and other fees, subject to a 100% late payment penalty. Persons using automated point of sale stations (e.g., scanners) for commercial purposes in the City must register those stations and pay annual registration and other fees, subject to late payment penalties of up to 100% of the amount of the fee.

Amendments to Current Law

For businesses that were engaged in business in the City in calendar year 2020, this ordinance would extend the deadline to renew and pay their business registration fee for the fiscal year ending June 30, 2022 from May 31, 2021 to: (1) November 1, 2021, for such businesses with \$25 million or less in total combined San Francisco gross receipts in calendar year 2020; and (2) June 30, 2021, for such businesses with more than \$25 million in total combined San Francisco gross receipts in calendar year 2020. For businesses that commenced business in the City in calendar year 2021, this ordinance would extend the deadline to pay their business registration fee for the fiscal year ending June 30, 2022 (and to renew their business registration if such business has a business registration certificate for fiscal year 2021) to November 1, 2021.

This ordinance also would temporarily suspend through November 1, 2021 penalties for the late payment of certain weights and measures fees and point of sale station fees billed by the Tax Collector on or after March 17, 2020 and on or before October 1, 2021, and would refund suspended penalties paid to the City upon written request made to the Tax Collector within the later of (1) one year of payment of the penalty, or (2) December 31, 2021.

Background Information

On February 9, 2021, proposed legislation was introduced to extend the payment deadline of the business registration fee for fiscal year ending June 30, 2022 from May 31, 2021 to November 1, 2021 for most businesses, regardless of the date the business commenced business in the City and regardless of the business's San Francisco gross receipts.

On March 2, 2021, the legislation was replaced by a substitute ordinance to add provisions suspending late payment penalties for certain weights and measures fees and point of sale station fees.

This proposed legislation would amend the substitute legislation to extend the payment deadline of the business registration fee for fiscal year ending June 30, 2022 from May 31, 2021 to either June 30, 2021 or November 1, 2021, depending on when the businesses commenced business in the City and the business's San Francisco gross receipts in calendar year 2020.

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